

Agenda

UACIM BOARD OF DIRECTORS MEETING

October 21, 1994, 10:00-2:00

*Utah Association of Counties Offices
Salt Lake City*

AGENDA TOPICS

10:00 AM	Call To Order	Gary Herbert
	Review of Board Member's Absent	Gary Herbert
	Review and Approval of September 29, 1994 Minutes	Gary Herbert
Section 7	UACIM Sponsorship at UAC Convention	Gary Herbert
Section 8	Loss Prevention	Gary Herbert
	1. Board Approval on Mandated Requirements	
	2. Board Approval on Accident Reporting Kits	
Section 9	UACIM Response to Insurance Department Examination	Gary Herbert
12:00 PM	LUNCH	
	Litigation Committee & Claims Report	Kent Sundberg, Doug Alexander
	Pollution Liability Coverage	Harry Bowes, Jess Hurtado
Section 10	Approval of 1995 Budget	Board of Directors
	1995 Premium Contributions	Board of Directors
	Other Business	Gary Herbert
2:00 PM	Adjourn	Gary Herbert

Notes:



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL
MINUTES, BOARD OF DIRECTORS
EXECUTIVE SESSION

October 21, 1994
UAC Offices, Salt Lake City

Members Present:

Gary Herbert, *President*, Utah County Commissioner
Gerald Hess, *Vice President*, Davis County Deputy Attorney
Dennis Ewing, *Comptroller*, Tooele County Clerk
Sid Groll, Cache County Sheriff
Ty Lewis, San Juan County Commissioner
Gary Sullivan, Beaver County Commissioner

Members Absent:

Dixie Thompson, *Secretary*, Emery County Commissioner
Ken Brown, Rich County Commissioner
Max Adams, Uintah County Commissioner

Others Present:

Kent Sundberg, Utah County Deputy Attorney
David Nelson, UACIM Loss Prevention Manager
Sonya White, UACIM Administrative Assistant
Doug Alexander, AIMS Branch Manager
Jess Hurtado, UACIM Broker
Keri Chappell, UACIM Broker
Harry Bowes, UACIM Consultant

Executive session was held to discuss the Litigation Committee and Claims Report.



UTAH ASSOCIATION
OF COUNTIES
INSURANCE MUTUAL

UAC INSURANCE MUTUAL MINUTES, BOARD OF DIRECTORS MEETING

October 21, 1994, 10:00 a.m.
UAC Offices, Salt Lake City

Members Present:

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Members Absent:

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Others Present:

Kent Sundberg, Utah County Deputy Attorney
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Sonya White, UACIM Administrative Assistant
Doug Alexander, AIMS Branch Manager
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Keri Chappell, UACIM Broker
Harry Bowes, UACIM Consultant

Gary Herbert called the meeting to order at 10:20 a.m.

Review of Board Members Absent

Board members were contacted previously to see if they could attend a Board meeting on this date. Ken notified the Board that he would not be able to attend a meeting on this day due to other commitments. Max phoned the UACIM office the day before the meeting and explained that he had to attend a campaign invitation. The Board has not heard from or been able to contact Dixie. Gerald made a motion to excuse Ken from this meeting, not Max or Dixie. Ty seconded the motion and the motion carried.

Review and Approval of September 29, 1994 Minutes

The minutes of the September 29 Board meeting was previously sent to the Board for review. Gerald made a motion to accept the minutes as written. Sid seconded the motion and the motion carried.

UACIM Sponsorship at UAC Convention

The Board reviewed the option of donating gifts for a prize drawing at the UAC Annual Convention Closing Dinner (which was done at the 1993 UAC Annual Convention) or to purchase some type of public relations gift, with the UACIM logo imprinted, e.g., calendars, mouse pads, etc., for the member counties. The Board felt that if there is going to be a premium increase this year, it would be in the best interest of UACIM not to sponsor or purchase any public relations item at this time. However, the Board discussed acknowledging those counties with no or low loss ratios with an award at the Closing Dinner. Ty made a motion to acknowledge those counties, by Class, whose loss ratio, as of January 1993 to date, is 25%-35% by presenting them with a plaque. The total amount to be spent by UACIM is \$250.00. Gerald seconded the motion and the motion carried. Gary Herbert will present the awards at the Closing Dinner. Also, the Board instructed David to visit each county acknowledged and present the award with the media present.

Loss Prevention

A. Mandated Requirements. This agenda item was discussed at the previous Board meeting and brought before the Board today for ratification. The list of mandated requirements to be imposed upon member counties included:

1. Sexual Harassment Policy
2. Personnel Policy, including Employee Safety Accountability
3. High-Speed Pursuit Policy
4. Seat Belt Use Policy (for county drivers)
5. Annual MVR Check (of county drivers, including volunteers)
6. Alcoholic Drinks Prohibited (at county sponsored events and in county facilities)
7. Satisfactory Completion of Defensive Driving Course (all county drivers, including volunteers)

Gerald made a motion to adopt the above requirements, which will be referred to as *Underwriting Requirements*. Gerald continued that David must supply the member counties with sample policy formats, approved by the Litigation Management Committee (LMC), for the counties to revise and adopt for their own needs. If the counties do not comply, it will reflect on their premium. Finally, David must review the county's policies for sufficiency. Dennis seconded the motion and the motion carried.

B. Accident Reporting Kit. This agenda item was discussed at the previous Board meeting and brought before the Board today for ratification. Sid made a motion that if the budget allows, to go ahead with the quoted amount of \$721.05 to produce this Accident Reporting Kit for the member county's vehicles. Dennis seconded the motion and the motion carried.

1995 Premium Contribution

Jess explained to the Board that UACIM had \$850,000 in the loss fund in 1992 with an attachment point of \$850,000. Due to losses, in 1993 the attachment point went up to \$1,100,000 and UACIM funded for \$850,000. In 1994 the attachment point went up to \$1,350,000 and UACIM continued to fund for \$850,000. The UACIM projected losses for 1994 are \$1,540,000. Finding equality in what UACIM is funding for, what the attachment point is and where the UACIM losses are, is the objective today. If the UACIM were to fund the total loss fund, the loss fund would have to be increased by 91%. Six exhibits were put together by actuaries for the Board's consideration to properly fund the loss fund in increments. The exhibits showed the 1994 Loss Fund, the Three Year Loss Ratio, the Projected Losses, the Fund Adjustment Factor, the Adjusted Loss Fund and the Adjusted Loss Ratio for each member county. The actuaries feel the loss ratio for each county should be at least 100% (the insurance industry is 66%).

After extensive review and discussion of the six exhibits, Ty made a motion to adopt a 1.5% increase, based on the 1994 member county premiums, for inflationary costs. Also, to adopt the following rating increase for those counties whose loss ratio is over 100%:

<u>Loss Ratio</u>	<u>Percent of Increase in Loss Fund Premium</u>
100%-149%	50
150%-199%	53
200%-249%	55
250%-299%	58
300%-349%	60
350%-399%	63
400% or more	65

Dennis seconded the motion and the motion carried. With this loss sensitive rate increase of the 16 counties who have over a 100% loss ratio, the loss fund will be increased by \$343,700, taking the entire loss ratio of the UACIM to 132.5% from 191.0%. The UACIM anticipates that an increase in the loss fund over the next three to four years will work towards the objective of a total UACIM loss fund of 100%. The contribution invoice will be sent to all member counties for budgeting. This rating contribution will be extensively explained to the membership at the Annual Membership Meeting in November.

AIMS has not had the cooperation of some of the member counties in returning their renewal applications or receiving the county property appraisals that have been requested. Brent and Keri are working to compose a letter requesting the return of this information.

The Board requested a telephonic conference to be scheduled for Thursday, October 27, at 9:00 a.m. for all UACIM Board of Directors, Administrator and Broker to discuss the adoption of this increase in contribution. Keri will prepare and fax a listing of the 1995 premium increases to each Board member before the telephonic conference.

Approval of 1995 Budget

The Board reviewed the UACIM proposed budget from AIMS and the UACIM Administrative budget. Without Brent available to review the budget and answer questions, the Board agreed to discuss the approval of the budgets during the telephonic conference on October 27.

Jess handed out a proposal to the Board and reported that a Professional Certified Public Accounting Cooperation, Squire & Company, out of Orem, Utah, has proposed to provide accounting services to the UACIM in the amount of \$9,500 annually. This service is now being provided by AIMS in the amount of \$25,000 annually. Jess has reviewed Squire & Company's accounting program which is compatible with what the UACIM is receiving now from AIMS. The Board agreed that they would rather have an in-state firm handle the accounting for the UACIM. Gerald made a motion to accept the proposal of Squire & Company. Sid seconded the motion and the motion carried.

Pollution Liability Coverage

Jess, in working with Harry, reported that he will be meeting with the claims administration in New York to discuss the potential of covering herbicides used in the course of duty of the member counties weed departments. Jess will request a legal opinion from the excess carrier as to whether they will cover herbicides/weed spray. The claims administration will respond to the underwriters who will then make the final decision as to coverage.

UACIM Response to Insurance Department Examination

The Board reviewed a copy of the letter dated October 19, 1994, that was hand delivered to the Insurance Department in response to their examination. The Board will review the letter further and express any questions or concerns during the telephonic conference.

Litigation Committee and Claims Report

Dennis made a motion for the Board to go into Executive Session to discuss the Litigation Management Committee and Claims Report. Ty seconded the motion and the motion carried.

Gary Sullivan made a motion for the Board to come out of Executive Session. Dennis seconded the motion and the motion carried.

Gary Sullivan made a motion to authorize property damage repair of claim number 801DAV937043 in the amount of \$24,005.50. Dennis seconded the motion and the motion carried.

Sid made a motion to authorize property damage repair of claim number 801UTA947019 in the amount of \$10,200.00. Gary Sullivan seconded the motion and the motion carried.

Other Business

David explained to the Board that state automobile purchasing has increased for a 1996 Ford Taurus to \$12,709. After Board discussion from previous meetings, Gerald made a motion for the purchase of a new vehicle for the Loss Prevention Manager, subject to budget allowance, and to sell the old vehicle out-right. Gary Sullivan seconded the motion and the motion carried.

Keri explained that the Uintah County Recreation District has contacted her again regarding coverage of property titled in the name of the Recreation District. The Board agreed to discuss this matter during the telephonic conference when Max will be available for comment.

Harry showed the Board the Safety Manual he has completed for the UACIM member counties. Sonya will bind and organize the Safety Manual for distribution at the Annual Membership meeting.

Dennis reminded the Board that the decision of hiring a full time Administrator for the UACIM has not been ratified. Gary Herbert requested, that do to the length of this meeting, this item be discussed at the next meeting.

The next meeting of the UACIM Board of Directors is scheduled for December 1, 1994, at 10:00 a.m.

Meeting was adjourned.

